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MEMORANDUM

JANUARY 29, 2002

TO: JOHN McGUIGIN P.E.
PROJECT MANAGERFROM: WALTER CORBETT, ARM
SENIOR VICE PRESIDENT CLAIMS MANAGERSUBJECT: PARKER CASUALTY LOSS REPORT
GOVERNMENT EVALUATION OF REPORT

On January 11, 2002, I received a copy of the Casualty Loss Report of Montana Claims Service relating to the casualty evaluation of the real property losses incurred by Mel and Lerah Parker. Per your request, I reviewed the casualty adjustment report prepared for the Parkers to determine if the methodologies and analytical techniques utilized by the Parker's adjuster were in line with standard industry practice.

The analytical techniques used by the adjuster are textbook techniques utilized for developing the values of a casualty adjustment claim. The Parker's adjuster has provided the measurements of the structures and the damaged sections, provided the age of the structure or facility, described the type of construction, and then based his calculations on the measurements. We have no problem with this methodology, as it is clear and documented.

Based upon the actual replacement cost for the real property as determined through other analyses, it seems as if it would be the most economical option for the Government to pursue a casualty loss settlement with the Parkers.



Sheppard Riley Coughlin